



M e m o r a n d u m

To: Panel Members Date: January 27, 2006

From: Dolores Kendrick, Regional Office Manager Agr. No.: ET06-0238

Analyst: M. Paccarelli

Subject: SMALL BUSINESS FAST TRACK AGREEMENT FOR EMPLOYERS WITH 100 OR FEWER EMPLOYEES

Contractor's Legal Name: Southland Credit Union

Agreement Term Dates: 02/07/06 – 02/06/07

Turnover Rate: 6%

County(ies) Served: Los Angeles Rural: Yes No X

Number of Full-Time Workers: 79 Number to be Trained: 51

Occupations to be Trained: Information Technology Staff, Administrative Staff, Operations, Managers, Supervisors

Range of Hourly Wages at Retention: \$21.50 - \$52.85

Health Benefits: \$1.60 per hour

Type of Industry: Finance

Nature of Business: Loan, Banking, and Mortgage Services

Aero Space or Aircraft Industry Supplier: Yes: No: X

Training Project Profile: SET – Workers Earning At Least The State Average Hourly Wage

Repeat Contractor: No

Strategic Category/Legislative Priority: Moving to a High Performance Workplace

Type of Training: Business Skills, Continuous Improvement, Computer Skills

ETP Funding Amount: \$49,980

Employer Contribution: \$74,950

Average Cost per Trainee: \$980

Union Representation: N/A

Referred By: N/A

Subcontractors: To Be Determined

Comments: Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

No executive who has the authority to set company policy will be trained under this Agreement except for the owner(s).

EMPLOYMENT TRAINING PANEL TRAINING AGREEMENT for Small Businesses with 100 or Fewer Employees

TERMS, CONDITIONS, AND TRAINING PLAN

1. Term: This Agreement is entered into between the Employment Training Panel (ETP) and Southland Credit Union (Contractor). The term is 02/07/06 through 02/06/07.

2. Payments: ETP shall pay the Contractor no more than \$49,980 computed on a fixed-fee reimbursement of \$20.00 per training hour in accordance with the following Chart:

3.

Job #	Number of Trainees to Retain	Required Class/Lab Training Hours	Trainee Will Receive One or More of the Following:	Average Cost Per Trainee	Payment Schedule			Wage at Retention
					PP1 (Enrollment & 8 hours of training)	PP2 (Training Completed)	Final Payment (Retention Completed)	
1	51	8 - 60	*Business Skills *Continuous Improvement *Computer Skills	\$980	\$117.60	Varies	Varies	*\$21.50 - \$52.85

*Business Skills: Business Writing, Customer Service, Sales, Communication Skills
*Commercial Skills: Process Improvement, Negotiating, Problem Solving, Analytical Skills
*Computer Skills: Microsoft Office, Epyxis, Monarch, IT Applications & Networking

**Health Benefits of \$1.60 per hour may be added to the trainees' base wages after the 90-day retention period in order to meet the ETP minimum wage of \$21.50.

Contractor is responsible for providing 100 percent of the required number of class/lab training hours to each trainee in each Job.

For projects with computer-based training (CBT), each trainee should complete 100% of each CBT course. The Panel will not reimburse the Contractor for a trainee who does not complete a minimum 80% of required CBT hours. Reimbursement for each completed CBT course shall be for the standard number of hours to complete the course and is contingent upon certification of trainee competency at completion of training.

Reimbursement for class/lab training for trainees in job number 1 will be based on the total actual number of training hours completed by training delivery method for each trainee, up to the maximum specified in the above chart, providing the minimum and no more than the maximum hours are met. For computer-based training, each trainee must complete 100% of each CBT course and achieve competency in course. Reimbursement shall be for the standard number of hours to complete the course, providing the minimum and no more than the maximum number of training hours identified on Chart 1 are met.

For job numbers utilizing the variable reimbursement method, progress payments will be made by ETP at enrollment (P1); at completion of training (P2); and, at completion of the post-training retention period (F). The progress payment at enrollment will be made at the time of completion by each trainee of 8 hours of training and may not exceed 25% of the reimbursement for the average number of hours to be provided. Unearned progress payments may not exceed 75% of the amount available for reimbursement based on the number of trainees enrolled and the maximum number to be retained for this Agreement. No job number changes will be allowed for trainees originally enrolled in a job using variable reimbursement.

Special Employment Training (SET) for Frontline Workers who are earning at least the state average hourly wage of \$21.50.

3. Administration: Contractor is directly responsible for the administration and all training delivered during the term of the Agreement.
4. Performance: Earnings are contingent upon the completion of all performance requirements. Contractor shall ensure that ETP or its representative, including the Bureau of State Audits, has the right during normal business hours, to examine, reproduce, monitor and audit accounting source payroll documents, and all other records, books, papers, documents, or other evidence directly related to the performance of this Agreement by the Contractor and available for review at the Contractor's place of business, within the State of California. This right will terminate no sooner than four (4) years from the date of termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

ETP may audit this Agreement at anytime up to four (4) years following the end of the term of this Agreement. Audits will be performed in accordance with Government Auditing Standards, which include sampling of available records.

ETP shall inform Contractor in writing if performance by the Contractor is not satisfactory and may, at its discretion, suspend any payment and/or performance, including training, under the Agreement or terminate the Agreement as provided herein.

If Contractor relocates or consolidates the California facility at which training was provided (or the job for which training was provided) with a facility (or a job) located outside California within three years of the Agreement termination, Contractor shall return, at ETP's discretion, all money earned under this Agreement as provided in Paragraph 2.

Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

Contractor agrees that during ETP-funded training, the trainer to trainee ratio will not exceed 1:20.

No senior level managers or executive staff who set company policy are included in ETP-funded training under this Agreement with the exception of the owner. All trainees are workers who directly produce or deliver goods or services.

Contractors participating in a Small Business Agreement are required to use the ETP Internet class/lab tracking system.

5. Unearned Funds: Contractor may receive unearned progress payments as indicated in the Chart on page 1 of the Agreement. Any funds invoiced and issued for a trainee who does not have an original signature and valid Social Security Number (SSN) on the ETP 104AUTH on file with ETP must be returned to ETP as unearned monies, with applicable interest.

All unearned monies shall be returned to ETP with statutory interest computed from the first day of the month following the date the funds were received.

6. Indemnification: Contractor shall indemnify, defend, and hold harmless ETP, its officers, agents, and employees from any and all claims and losses accruing or resulting to any and all Contractors, subcontractors, laborers, and any other person, firm or corporation furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by Contractor during the term of this Agreement.
7. Governing Rules: This Agreement shall be governed by the laws of the State of California. Contractor shall comply with all applicable federal, state, and local laws, ordinances, and regulations.

8. National Labor Relations Board (NLRB): Pursuant to Public Contract Code Section 10296, by executing the Agreement, Contractor swears under penalty of perjury that no more than one final unappealable finding of contempt of court by a federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a federal court which orders the Contractor to comply with an order of the National Labor Relations Board. ETP may rescind any contract in which the Contractor falsely swears to the truth of the statement required by this section.
9. Americans with Disabilities Act: Contractor assures that it shall comply with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. 1201 *et seq.*), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.
10. Drug Free Workplace: Contractor certifies under penalty of perjury under the laws of the State of California that the Contractor shall comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350 *et seq.*) and will provide a drug-free workplace by taking the following actions:
 - a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations;
 - b. Establish a Drug-Free Awareness Program to inform employees about all of the following:
 1. The dangers of drug abuse in the workplace;
 2. The person's or organization's policy of maintaining a drug-free workplace;
 3. Any available counseling, rehabilitation and employee assistance programs; and
 4. Penalties that may be imposed upon employees for drug abuse violations.
 - c. Every employee who works on the Agreement:
 1. Will receive a copy of the company's drug-free policy statement; and
 2. Will agree to abide by the terms of the company's statement as a condition of employment on the Agreement.
11. Nondiscrimination: During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractors and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment. Contractors and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 *et seq.*) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 *et seq.*) The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. Contractor shall include the nondiscrimination and compliance provisions of this subparagraph in all subcontracts to perform work under this Agreement.
12. Use of ETP Funds: Pursuant to the provision of Government Code Sections 16645, *et seq.*, Contractor certifies that it will not use ETP funds during the term of the Agreement to assist, promote, or deter union organizing. If Contractor does make expenditures to assist, promote, or deter union organizing, Contractor

must keep records sufficient to show that no ETP funds were used to assist, promote, or deter union organizing. These records are to be made available to the California Attorney General upon request. Contractor assures that it will comply with the provision of Government Code Sections 16645, et seq., as applicable.

13. Full-Time Employment: Each trainee must be employed full-time, at least 35 hours per week, with the Contractor for a period of at least ninety (90) consecutive days immediately following the completion of training. Training and the retention period for each trainee must be completed within the term of the Agreement.
14. Entire Agreement: This Agreement shall not be transferred to any other party without the prior written approval of ETP. This is the entire Agreement between the parties and it supersedes any other understanding or writing made between them related to this matter.
15. Subcontractors: Contractor may subcontract for training or administrative services. All subcontracting under this Agreement shall comply in form and content with the requirements of ETP. No third party relationship is intended or created between any subcontractor and the ETP. Contractor shall have in place subagreements signed by both the Contractor and subcontractors for any work performed under this Agreement prior to the effective date of the subagreement.

The Contractor certifies to the need for training; the training supplements rather than displaces the Contractor's ongoing investment in the training of its workers; and its in-kind contribution shall be the trainee's salaries while in training.

APPROVED FOR ETP

APPROVED FOR CONTRACTOR

Ada F. Carrillo, Acting Executive Director

Type Name and Title

Cindy Smolinski, VP Administrative Services

Type Name and Title

Signature Date

Signature Date

1100 J Street, 4th Floor

Address

10701 Los Alamitos Blvd.

Address

Sacramento, CA 95814

City State Zip

Los Alamitos, CA 90720

City State Zip

(916) 327-5246 (916) 327-5270

Telephone FAX

(562) 936-8750 (562) 596-4748

Telephone FAX

Amount To Be Encumbered	Item	Chapter	Statute	Fiscal Year
\$49,980	7100-001-0514	38	2005	2005-2006
Fund	Object & Code			
Employment Training Panel	96836-03930-936			
I hereby certify that budget funds are available for the period and purpose of the expenditure stated above.				
Signature of Accounting Officer				Date
I hereby certify that the Agreement does not fall within the meaning of Section 10295 of Chapter 2 of Part 2 of Division 2 of the Public Contract Code of the State of California and pursuant to 58 OPS. CALL ATTY. GEN. 586 is exempt from review or approval of the Department of General Services and the Department of Finance.				
Signature on Behalf of the Agency				Date

SUBCONTRACTS

The following provisions must be included in any Agreement between the Contractor and any consultant or vendor for administrative services in connection with this Agreement:

1. The Employment Training Panel (ETP) is not a party to this Agreement nor is Subcontractor a beneficiary in any way under the ETP Agreement. ETP is not obligated in any manner for any liability that may arise out of this Agreement. No third party relationship is intended or created with ETP under this Agreement.
2. Subcontractor agrees that ETP has the right, during normal business hours, to examine or audit any and all records, books, papers and documents related to the delivery of services under this Agreement to the extent ETP deems necessary. This disclosure provision shall survive termination of this Agreement.
3. Subcontractor agrees that ETP has the right, during normal business hours, to freely observe and monitor the delivery of services under this Agreement with or without the Subcontractor's presence. In particular, Subcontractor agrees that ETP has the right to interview trainees, trainers and training personnel.
4. Subcontractor agrees to maintain all records and other writings that pertain to the delivery of services under this Agreement for a period of no less than four (4) years from termination of the ETP Agreement, or three (3) years from fiscal closeout of final invoicing under the ETP Agreement, whichever is later. This recordkeeping provision shall survive termination of this Agreement.
5. This Agreement shall be governed by the laws of the State of California. If litigation, arbitration or other proceedings arise in connection with this Agreement, the exclusive venue and place of jurisdiction is the County of Sacramento in the State of California. This governing law provision shall survive termination of this Agreement.
6. In the event of any conflict or inconsistency between the terms of this Agreement and the ETP Agreement, the latter shall govern and prevail.

Note: The terms set forth above need not be used verbatim in the Subcontractor Agreement, but any variation must be approved by the ETP Legal Office. These terms may appear at any place in the Subcontract, or may be formatted as an Exhibit or Addendum. If any of these terms conflict with or are inconsistent with a pre-existing Subcontract, please contact the ETP Legal Office to discuss. Contact: (916) 327-5470.